

FIRST REGULAR SESSION

# HOUSE BILL NO. 907

## 97TH GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVES BUTLER (Sponsor), ENGLISH, MAYFIELD, WEBB, RUNIONS,  
BURNS, SWEARINGEN, PIERSON, NICHOLS, MCKENNA, MEREDITH,  
LAFAYER AND ELLINGER (Co-sponsors).

1797H.011

D. ADAM CRUMBLISS, Chief Clerk

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### AN ACT

To amend chapter 135, RSMo, by adding thereto one new section relating to tax credits for contributions to public school foundations.

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*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Chapter 135, RSMo, is amended by adding thereto one new section, to be  
2 known as section 135.650, to read as follows:

**135.650. 1. As used in this section, the following terms shall mean:**

2 **(1) "Contribution", a donation of cash, stock, bonds or other marketable securities,**  
3 **or real property;**

4 **(2) "Department", the department of elementary and secondary education;**

5 **(3) "Director", the director of the department of elementary and secondary**  
6 **education;**

7 **(4) "Qualified Public School Foundation", a non-profit organization operating in**  
8 **this state that meets the definition of a charitable organization whose primary purpose is**  
9 **the furtherance of elementary or secondary public education in a school district that is**  
10 **above the median of all school districts in the state in current expenditures per average**  
11 **daily attendance divided by assessed valuation;**

12 **(5) "State tax liability", in the case of a business taxpayer, any liability incurred by**  
13 **such taxpayer under the provisions of chapter 143, chapter 147, chapter 148, and chapter**  
14 **153, exclusive of the provisions relating to the withholding of tax as provided for in sections**

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

15 143.191 to 143.265 and related provisions, and in the case of an individual taxpayer, any  
16 liability incurred by such taxpayer under the provisions of chapter 143;

17 (6) "Taxpayer", one of the following:

18 (a) A person, firm, partner in a firm or corporation, a shareholder in an S  
19 corporation, or a member in a limited liability company doing business in the state of  
20 Missouri and subject to the state income tax imposed by the provisions of chapter 143;

21 (b) A corporation subject to the annual corporation franchise tax imposed by the  
22 provisions of chapter 147, including any charitable organization that is exempt from  
23 federal income tax and whose Missouri unrelated business taxable income, if any, would  
24 be subject to the state income tax imposed under chapter 143;

25 (c) An insurance company paying an annual tax on its gross premium receipts in  
26 this state;

27 (d) A financial institution paying taxes to the state of Missouri or any political  
28 subdivision of this state under the provisions of chapter 148;

29 (e) An express company which pays an annual tax on its gross receipts in this state  
30 under chapter 153; or

31 (f) An individual subject to the state income tax imposed by the provisions of  
32 chapter 143.

33 2. A taxpayer shall be allowed to claim a tax credit against the taxpayer's state tax  
34 liability, in an amount equal to five percent of the amount such taxpayer contributed to a  
35 qualified public school foundation.

36 3. Any tax credit that cannot be claimed in the taxable year the contribution was  
37 made may be carried over to the next three succeeding taxable years until the full credit  
38 has been claimed.

39 4. The director shall establish a procedure by which a taxpayer can determine if  
40 an organization has been classified as a qualified public school foundation, and by which  
41 such taxpayer can then contribute to such qualified public school foundation and claim a  
42 tax credit. The department shall issue a tax credit certificate to the taxpayer in the  
43 appropriate amount. Qualified public school foundations shall be permitted to decline a  
44 contribution from a taxpayer.

45 5. Each qualified public school foundation shall provide information to the director  
46 concerning the identity of each taxpayer making a contribution to the qualified public  
47 school foundation who is claiming a tax credit under this section and the amount of the  
48 contribution. The director shall provide the information to the director of revenue. The  
49 director shall be subject to the confidentiality and penalty provisions of section 32.057,  
50 relating to the disclosure of tax information.

51           **6. Donations received by a qualified public school foundation shall only be used for**  
52 **the benefit of elementary and secondary education.**

53           **7. Certificates of tax credits issued in accordance with this section may be assigned,**  
54 **transferred, or sold in their entirety by notarized endorsement thereof which names the**  
55 **transferee.**

56           **8. This section shall become effective January 1, 2014, and shall apply to all tax**  
57 **years after December 31, 2013.**

58           **9. Under section 23.253 of the Missouri sunset act:**

59           **(1) The provisions of the new program authorized under this section shall**  
60 **automatically sunset on December 31, 2019, unless reauthorized by an act of the general**  
61 **assembly; and**

62           **(2) If such program is reauthorized, the program authorized under this section shall**  
63 **automatically sunset twelve years after the effective date of the reauthorization of this**  
64 **section; and**

65           **(3) This section shall terminate on September first of the calendar year immediately**  
66 **following the calendar year in which the program authorized under this section is sunset.**

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